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and Administration**

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**M E M O R A N D U M**

TO: Richard Weiss, Director  
Tim Leathers, Deputy Director

FROM: John Shelnett, Economic Analysis & Tax Research

SUBJECT: **General Revenue Report for November (FY 2015)**

DATE: December 2, 2014

Copy: Governor's Office  
Management Services

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The Official Forecast was revised on November 13, 2014. Results relative to the monthly tracking forecast reflect this change in both the monthly and year-to-date tables.

**YEAR-TO-DATE REVENUE SUMMARY**

**Year-to-date Net Available General Revenues:** Year-to-date net available general revenues total \$2,116.1 million, \$72.7 million or 3.6 percent above year ago levels. After five months into the fiscal year, net available revenue is above forecast by \$24.8 million or 1.2 percent.

**Year-to-date Gross General Revenues:** Year-to-date gross collections total \$2,456.4 million, representing an increase of \$67.4 million or 2.8 percent above last year. Gross general revenues are above forecast by \$12.7 million or 0.5 percent.

**Year-to-date Individual Income Taxes:** Year-to-date individual income tax collections total \$1,170.9 million, \$55.4 million or 5.0 percent above last year's collections and \$12.2 million or 1.1 percent above forecast. Collections for individual withholding are up 6.2 percent from year ago levels.

**Year-to-date individual income tax refunds** total \$49.1 million, down \$1.8 million or -3.5 percent compared to last year and \$1.5 million or -3.0 percent below forecast. Amounts below forecast in refund categories increase net available revenue results.

**Year-to-date Sales and Use Tax Collections:** On a year-to-date basis, sales and use taxes total \$921.8 million, an increase of \$7.5 million or 0.8 percent from last year and \$0.7 million or 0.1 percent above forecast.

**Year-to-date Corporate Income Taxes:** Year-to-date corporate revenues total \$139.1 million, a decrease of \$0.8 million or -0.6 percent from year-to-date in the prior year. Corporate income is below forecast by \$1.1 million or -0.8 percent.

**Year-to-date corporate income tax refunds** total \$17.4 million, a decrease of \$14.9 million compared to the same year-to-date period last year.

## **NOVEMBER REVENUE SUMMARY**

**November Net Available General Revenues** total \$391.1 million, \$41.4 million or 11.8 percent above last year and \$24.8 million or 6.8 percent above forecast.

November results were above forecast in the two largest categories of collections. Individual Income tax collections were up 14.9 percent from year ago results and above forecast by 5.7 percent, reflecting calendar-related shift effects from payroll timing. Sales tax collections were up 3.0 percent and marginally ahead of forecast.

Corporate Income tax was below forecast in an otherwise low collection month in the annual corporate filing pattern.

Among smaller revenue sources, tobacco was marginally above year ago levels and above forecast. Gaming results were moderately above forecast and nearly 10.0 percent ahead of year ago revenue.

**November Gross General Revenues:** November collections total \$464.6 million, an increase of \$34.4 million or 8.0 percent from last year and \$12.7 million or 2.8 percent above forecast.

**November Individual Income Tax** collections total \$227.1 million. Collections increased by \$29.4 million, or 14.9 percent compared to last year. With respect to the forecast, collections were \$12.2 million or 5.7 percent above forecast. Individual withholding increased 14.8 percent compared to last year, reflecting calendar-related shift effects from payroll timing.

**November Individual Income Tax Refunds** total \$12.2 million, -\$0.7 million or -5.3 percent below last year and \$1.5 million or -11.0 percent below forecast. Refund amounts below forecast contribute to bottom line, net available fund results.

**November Sales and Use Tax Collections:** November collections total \$180.5 million, an increase of \$5.3 million or 3.0 percent from last year. Collections were also above monthly forecast levels by \$0.7 million or 0.4 percent.

**November Corporate Income Tax** collections total \$6.4 million, an increase of \$0.2 million from year ago, and \$1.1 million or -15.2 percent below forecast.

**November Corporate Income Tax Refunds** total \$6.7 million. This amount is \$7.4 million below year ago levels.

**November Tobacco Tax** collections, a smaller component of general revenue in annual terms, total \$17.4 million. Collections increased by \$0.1 million or 0.6 percent from year earlier levels and were also above forecast by \$0.6 million. Monthly changes in tobacco tax collections can be attributed to uneven patterns of stamp sales to wholesale purchasers.

## **SPECIAL REVENUES OF NOTE**

**Year-to-date Soft Drink Tax (for Medicaid Program Trust Fund):** Year-to-date collections of the dedicated soft drink tax total \$18.4 million, a decrease of -2.8 percent from last year.

**Educational Adequacy Fund:** Act 107 of the Second Extraordinary Session of 2003 increased the state sales and use tax rate from 5.125% to 6.0%, effective March 1, 2004. Effective July 1, 2004 a new sales tax on selected services went into effect in addition to an increase in vending machine decal fees. Act 94 increased the minimum corporate franchise tax and the tax rate, effective for calendar years beginning January 1, 2004.

The additional revenues are deposited as special revenues to the Educational Adequacy Fund to be used to fulfill the financial obligations of the state to provide an adequate educational system. In November 2014, \$37.3 million was collected and deposited to the fund. After deductions, the net amount is \$36.2 million. The monthly collection is equivalent to a 3.1 percent increase from prior year collections.

YEAR TO DATE REPORT, NOVEMBER 2014  
(PREPARED BY ECONOMIC ANALYSIS AND TAX RESEARCH, DFA)

THROUGH NOVEMBER 2014  
5 Months YTD  
Forecast Date: 11/13/2014

MILLIONS OF DOLLARS

	CURRENT YEAR				CURRENT YEAR TO DATE				ACTUAL AS % OF FORECAST
	ACTUAL FY 2014	FORECAST FY 2015	INCREASE		ACTUAL FY 2014	ACTUAL FY 2015	INCREASE		
			AMOUNT	PERCENT			AMOUNT	PERCENT	
INDIVIDUAL INCOME	1,115.6	1,158.7	43.1	3.9	1,115.6	1,170.9	55.4	5.0	101.1
CORPORATE INCOME	139.9	140.2	0.3	0.2	139.9	139.1	-0.8	-0.6	99.2
SALES AND USE	914.3	921.1	6.8	0.7	914.3	921.8	7.5	0.8	100.1
ALCOHOLIC BEVERAGE	21.7	22.2	0.5	2.3	21.7	22.3	0.6	2.6	100.3
TOBACCO	94.3	94.0	-0.3	-0.3	94.3	94.6	0.3	0.3	100.6
INSURANCE	43.5	44.1	0.6	1.3	43.5	44.2	0.7	1.6	100.3
RACING	1.0	1.0	0.0	4.9	1.0	0.9	0.0	-1.3	94.1
GAMES OF SKILL	15.8	17.0	1.2	7.9	15.8	17.1	1.3	8.4	100.4
MISCELLANEOUS <sup>1</sup>	43.0	45.4	2.4	5.5	43.0	45.5	2.5	5.7	100.2
TOTAL GROSS	2,389.0	2,443.7	54.7	2.3	2,389.0	2,456.4	67.4	2.8	100.5
LESS: SCSF/COF <sup>2</sup>	78.8	78.2	-0.6	-0.8	78.8	78.6	-0.2	-0.3	100.5
IND INCOME TAX REFUNDS	50.9	50.6	-0.3	-0.5	50.9	49.1	-1.8	-3.5	97.0
CORP INCOME TAX REFUNDS	32.3	26.7	-5.6	-17.4	32.3	17.4	-14.9	-46.0	65.3
CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ECON DEVEL INCENTIVE FUND	8.1	7.0	-1.1	-13.3	8.1	5.0	-3.1	-38.0	71.5
WATER/SEWER BONDS	6.4	6.4	0.0	0.0	6.4	6.4	0.0	0.0	100.0
COLLEGE SAVINGS BONDS	5.3	5.2	-0.1	-2.6	5.3	5.2	-0.1	-2.4	100.2
CITY/CO. TOURIST	1.4	1.4	0.0	-0.2	1.4	1.4	0.0	-0.2	100.0
SCHOOL DESEGREGATION	30.6	42.1	11.5	37.6	30.6	42.2	11.6	37.9	100.2
EDUCATIONAL EXCELLENCE	121.0	123.9	2.9	2.4	121.0	123.9	2.9	2.4	100.0
EDUCATIONAL ADEQUACY	10.7	10.9	0.2	1.9	10.7	11.0	0.3	2.4	100.5
NET AVAILABLE	2,043.4	2,091.3	47.9	2.3	2,043.4	2,116.1	72.7	3.6	101.2

REVENUE FORECAST SUMMARY FOR NOVEMBER

YEAR-TO-DATE GROSS	\$ 12.7 MILLION OR 0.5% ABOVE FORECAST
YEAR-TO-DATE NET AVAILABLE	\$ 24.8 MILLION OR 1.2% ABOVE FORECAST

SOFT DRINK EXCISE TAX	<u>YTD FY 14</u>	<u>YTD FY 15</u>	<u>% CHANGE</u>
(MEDICAID PROGRAM TRUST FUND)	19.0	18.4	-2.8
EDUCATIONAL ADEQUACY FUND	<u>YTD FY 14</u>	<u>YTD FY 15</u>	<u>% CHANGE</u>
(NET COLLECTIONS)	185.0	186.5	0.8

- 1) Miscellaneous includes severance, corporate franchise, real estate transfer, dyed diesel, and various other miscellaneous taxes.  
2) State Central Services Fund and Constitutional Officers Fund.

NOVEMBER GENERAL REVENUE REPORT  
(ECONOMIC ANALYSIS AND TAX RESEARCH, DFA)  
(682-1688 for further information)

November 26, 2014  
Days Remaining: 0  
Forecast date: 11/13/2014

MILLIONS OF \$

	CURRENT MONTH				CURRENT MONTH TO DATE				ACTUAL AS % OF FORECAST
	ACTUAL FY 2014	FORECAST FY 2015	CHANGE AMOUNT	PERCENT	ACTUAL FY 2014	ACTUAL FY 2015	CHANGE AMOUNT	PERCENT	
INDIVIDUAL INCOME	197.7	214.9	17.1	8.7	197.7	227.1	29.4	14.9	105.7
CORPORATE INCOME	6.2	7.5	1.3	21.2	6.2	6.4	0.2	2.8	84.8
SALES AND USE	175.2	179.8	4.6	2.6	175.2	180.5	5.3	3.0	100.4
ALCOHOLIC BEVERAGE	4.2	4.1	0.0	-0.9	4.2	4.2	0.0	0.8	101.7
TOBACCO	17.3	16.8	-0.5	-2.7	17.3	17.4	0.1	0.6	103.4
INSURANCE	20.5	20.4	0.0	-0.2	20.5	20.5	0.1	0.4	100.6
RACING	0.3	0.3	0.0	17.4	0.3	0.2	0.0	-5.9	80.1
GAMES OF SKILL	3.1	3.3	0.2	7.5	3.1	3.4	0.3	9.8	102.2
MISCELLANEOUS <sup>1</sup>	5.8	4.9	-1.0	-16.7	5.8	5.0	-0.9	-15.2	101.9
<b>TOTAL GROSS</b>	<b>430.2</b>	<b>452.0</b>	<b>21.8</b>	<b>5.1</b>	<b>430.2</b>	<b>464.6</b>	<b>34.4</b>	<b>8.0</b>	<b>102.8</b>
LESS: (SCSF/COF) <sup>2</sup>	14.2	14.5	0.3	1.9	14.2	14.9	0.7	4.7	102.8
IND INC TAX REFUNDS	12.8	13.7	0.8	6.3	12.8	12.2	-0.7	-5.3	89.0
CORP INC TAX REFUNDS	14.1	16.0	1.9	13.6	14.1	6.7	-7.4	-52.2	42.1
CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ECON DEVEL INCENTIVE FUND	0.8	2.4	1.5	185.9	0.8	0.4	-0.4	-53.6	16.2
WATER/SEWER BONDS	1.2	1.2	0.0	0.0	1.2	1.2	0.0	0.0	100.0
COLLEGE SAVINGS BONDS	5.3	5.2	-0.1	-2.5	5.3	5.2	-0.1	-2.3	100.2
CITY & COUNTY TOURIST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SCHOOL DESEGREGATION	5.6	5.9	0.3	5.2	5.6	6.0	0.4	6.8	101.5
EDUCATIONAL EXCELLENCE	24.2	24.8	0.5	2.2	24.2	24.8	0.6	2.4	100.2
EDUCATIONAL ADEQUACY	2.1	2.1	0.0	-0.2	2.1	2.2	0.1	2.4	102.6
<b>NET AVAILABLE</b>	<b>349.7</b>	<b>366.3</b>	<b>16.5</b>	<b>4.7</b>	<b>349.7</b>	<b>391.1</b>	<b>41.4</b>	<b>11.8</b>	<b>106.8</b>

REVENUE FORECAST SUMMARY FOR NOVEMBER

NOVEMBER GROSS	\$ 12.7 MILLION OR 2.8% ABOVE FORECAST
NOVEMBER NET AVAILABLE	\$ 24.8 MILLION OR 6.8% ABOVE FORECAST

EDUCATIONAL ADEQUACY FUND (NET DEPOSIT, MONTH-TO-DATE)	<u>Nov FY14</u> 35.1	<u>Nov FY15</u> 36.2	<u>% CH</u> 3.1
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- 1) Miscellaneous includes severance, corporate franchise, real estate transfer, dyed diesel, and various other miscellaneous taxes.  
2) State Central Services Fund and Constitutional Officers Fund.